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# **A customer-oriented, research based marketing plan for indiecoach.**

Julien Gupta – 25001 – 2888

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Professor Luis Martinez

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## **Abstract**

This dissertation aims to develop a customer-oriented, research based marketing plan for indiecoach, a start-up project that was developed by three Nova students (one of them being the author) during the previous two semesters. Besides presenting the necessary theoretical background knowledge, a PESTLE analysis is conducted together with a target group analysis. Subsequently, the two recent frameworks of Lemon and Verhoef (2016) and Batra and Keller (2016) are used to develop the customer journey map of indiecoach, together with a marketing communications strategy that is based on the respective stage of the customer's journey.

*Keywords:* online marketing, customer behavior, customer journey, integrated marketing communications

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## **List of abbreviations**

SEO	Search engine optimization
SEA	Search engine advertising
WOM	Word of mouth
IMC	Integrated marketing communications

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## **1 Introduction**

Indiecoach is a start-up project that was developed by three Nova students, one of them being the author of this dissertation, during the last two semesters. The initial idea derived from personal experiences of the attempt to learn surfing. Surf lessons were crowded, rather not personalized and overall too expensive. Moreover, finding and comparing different offers for surf instructors or courses online was rather complicated and annoying. Based on this experience, the idea of indiecoach was developed – an online marketplace for sport lessons, offered by private coaches who's profiles and services can be rated and compared.

Since it is only possible to capture the market potential of such a digital start-up via well-managed, creative and effective marketing, the goal of this dissertation is to develop a customer-oriented marketing plan, based on recent scientific research. Therefore, different findings, insights and frameworks from academic researchers will be implemented throughout the course of this work, as complementation of its practical application.

In the beginning, the business model of indiecoach is introduced, to provide a basis for the following chapters. In order to examine the relevant situational factors, a PESTLE analysis

is conducted for the German (sports) market. Subsequently, the segmentation, targeting, positioning model provides a more detailed view of the relevant target groups and the strategic focus of indiecoach compared to its competitors. Moreover, the positioning statement for each of the two target groups is formulated and the results of a self-conducted online survey for the purpose of market validation is discussed.

Based on these results, the recently developed framework concerning the customer journey by Lemon and Verhoef (2016) is used to gain insights into all potential interactions between customers and indiecoach through various touch points. A combined approach with the recent framework of Batra and Keller (2016) that aims to optimize the use of communications channels, depending on the stage of the customer decision journey, serves as fundament to develop a customer journey map together with a strategy for integrated marketing communications.

## **2 Business idea of indiecoach**

In order to be able to develop a detailed marketing plan for a start-up, one first has to consider the underlying business idea. As almost all of the following chapters in this work are dependent on the special prerequisites of indiecoach, this section serves as a foundation to understand the industry related, target group depending and business model specific challenges for a marketing plan.

Indiecoach is an online marketplace that connects potential students with sports coaches, allowing them to search, compare, book and pay for individual lessons on one single platform for a variety of different sports. On the website, coaches and students can create their personal profiles with individual personal and sports related information. A coach can for example become someone who has previous coaching experience and is now interested in working independently, but also a professional athlete without a coaching license, who wants

to earn additional money. Coaches determine in their profile the sport they offer, the place, day and their price. For instance, a tennis coach could offer a private lesson in the area of Berlin, Tuesdays, for 40 € per hour.

A potential student who is searching for a tennis coach near Berlin will subsequently see this coach amongst others who fulfil the same criteria. Besides the price and the personal profile, students can take advantage of user based reviews from previous coaching sessions. After deciding for one of the coaches, the student can send a booking request, followed by an online payment of the requested price. Both, coach and student, can now communicate a specific time and place as well as desired training aspects and subsequently meet for their coaching session. From each booking, both sides pay a certain percentage of the total amount as service fee to indiecoach (comparable to Airbnb)<sup>1</sup>. After the lesson, the student can leave a rating and a review as feedback for his coach and opportunity for future students to assess the quality of the training. As for the range of sports, indiecoach focusses on individual and extreme sports.

To conclude, one could state that indiecoach tries to efficiently allocate existing resources (coaching know-how) by matching a supply side (coaches) with a demand side (students) through a digital platform ([www.indiecoach.com](http://www.indiecoach.com)). Compared to the status quo, the main benefits for the students can be stated as follows: (1) higher transparency (review based, free choice of coach), (2) an averagely lower price (no institution like clubs or schools as “middleman”), (3) Easier accessibility and usability<sup>2</sup> (centralized platform for different sports, combination of search, booking and payment), (4) individualized training (students can communicate preferences to coaches). For coaches, the main benefits are an additional source

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<sup>1</sup> <https://www.airbnb.com/help/article/104/what-are-guest-service-fees>

<sup>2</sup> According to the definition of Alcántara-Pilar et al (2015) within the context of utilitarian benefits as ease of access and time-saving during purchase in relation to the usability dimension of the website (p. 81).

of potential students, higher margins and independence from institutions. Indiecoach will be based in Cologne, starting with full-time development in February 2017.

### **3 Relevant trends in marketing research**

In recent years, marketing channels as well as companies' relationship to their customers have changed dramatically. In the following paragraph, major changes in marketing from a scientific point of view are discussed. Out of the numerous changes and transformations, two points of particular importance to indiecoach have been selected to be examined in detail – the evolving digitalization as well as the changing perception of the customer experience.

#### **3.1. Digitalization of media and marketing communications**

In their work, Batra and Keller (2016, p. 122-123) point out several major aspects of the evolution of marketing (communications), decisively evoked through digitalization. On the customer side, the authors mention a significant shift in the customer's media usage patterns. Through a tremendous increase of new media channels, customers are much more integrated in brand related communications. While in earlier years, the stream of information was almost exclusively directed from the company towards the customer through mass media like TV or newspapers, nowadays the communications are dynamic and two-sided, also directed from the customers towards the company (e.g. on social media sites) or for instance in the shape of social influences on other consumers' buying decision through word of mouth (WOM, Batra and Keller 2016). Moreover, the customer's use of media is rather on-demand nowadays, through active search rather than a passive information collection through traditional media channels (Richard and Chebat 2016). Through smartphones, customers can search for information not only whenever, but also wherever they need it, thus making mobile advertising a promising new communication option (Yadav, Joshi and Rahman 2015). From the marketer's point of

view, several challenges and opportunities arise. Firstly, companies have to deal with divided customer attention and therefore find ways how to reach customers in an increasingly “noisy” media environment. Secondly, resulting from the aforementioned social influences like WOM or reviews from other customers, marketers in general have less control over how their message is perceived. However, digitalization also causes several opportunities for the practitioners’ side. First of all, the potential to personalize marketing communications and thereby increase efficiency and relevance for the customer has significantly increased (Bleier and Eisenbeiss 2015). Also, in comparison to analog channels, changes in media or content can be conducted much quicker and thereby allow a more dynamic approach to reach the customer at different stages of their decision journey.

### **3.2. Customer behavior and customer experience**

Since the 1960’s, marketing researchers have tried to grasp customer behavior through scientific models (Lemon and Verhoef 2016, p. 71). As a new approach at that time, the different stages (e.g. need recognition, purchase, evaluation) of the customer’s decision making were considered as a process for the first time (Howard and Shets 1969). One of the most popular results of these first attempts is the AIDA<sup>3</sup> model in advertising theory (Lavidge and Steiner 1961). From these first steps, research on customer behavior has been developed significantly.

Nowadays, customer experience is a major focus for marketing science as well as managerial practice (McColl-Kennedy et al. 2015, p. 430). Current studies are examining customer experience management, in which researchers try to analyze and model customer behavior comprehensively and dynamically throughout every possible touch point with a brand or company. In this context, Lemon and Verhoef (2016, p. 71) define customer experience as

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<sup>3</sup> The AIDA model states that the customer decision process can generally be divided into four stages—attention, interest, desire and action (Lavidge and Steiner 1961)



a multidimensional construct that comprises different aspects of customer reactions – on a cognitive, emotional, behavioral, sensorial and social level – towards an offer of a company at any given stage of the decision making process. These three stages are prepurchase, purchase, and postpurchase. The first stage comprises the entirety of experiences of a customer before purchase, like need recognition or search. In the case of indiecoach this could for instance be the wish to take tennis lessons and subsequent online search for a tennis coach nearby. To the purchase stage belong all activities of the customer that can attributed to the purchase event itself, like booking and payment. In practice this would be choosing a coach from the website and book and pay online to take a lesson. The third and last stage deals with all brand related customer actions after purchase, e.g. consumption, and postpurchase engagement like word of mouth. For instance, meeting the coach for the lesson and afterwards writing a review as well as telling a friend on the phone about the experience would be considered in this stage. Moreover, in this context, the concept of the existence of a loyalty loop seems relevant (Court et al. 2009). The authors state that after purchase either the customer reenters the decision process at stage one, considering several alternatives all over again, or, staying loyal with the brand of choice without reentering the whole process again. If, for instance, the customer is satisfied with the tennis lesson that he took through indiecoach, he eventually enters the loyalty loop and does not consider other options when booking the next sport lesson.

Another crucial aspect within the dynamic concept of customer experience is the approach of different touch points throughout the decision process that shape the experience customers (De Haan, Wiesel, Pauwels 2016). A detailed discussion of these touch points and an application of this model for indiecoach will be discussed later in this work.

#### **4 Situation Analysis (PESTLE)**

In this chapter, situational factors that may have an influence on marketing operations

and the business of indiecoach itself are examined. Therefore, a PESTLE analysis including specific insights from the sports industry is conducted in regard of the major influential aspects from a political, economic, socio-cultural, technological, legal and ecological perspective (Marmol, Feys and Probert, 2015). To provide a concrete framework, the PESTLE analysis will be focused on Germany as initial target market.

From a *political* point of view, Germany can be considered as a stable, democratic system. The government proved to be stable within the last decades without any major uproar or threat of drastic change. Sports in general plays a relatively important role for the political system with the interior ministry being responsible for sports-related subsidies. Furthermore, sport is a compulsory subject in German schools from the first grade on.

Regarding the *economy*, with a GDP of around 3 Trillion €, Germany is the fourth largest economy of the world with an expected growth rate of 1,6% until 2018<sup>4</sup>. With an average wage per capita (before taxes) of 32.643 €<sup>5</sup>, Germany is within the upper section of the European Union. Concerning the sport's industry, German citizens have spent around 138 Billion € in 2010 for sports-related activities. More specifically, the expenditures for self-financed coaching add up to approximately 2,5 Billion € (Preuss 2010).

From a *socio-cultural* point of view, health-related topics play an increasingly significant role in German society in recent years. In 2015, Germans spent 8,62 Billion € for organic foods (out of home consumption not being counted). This poses an increase of over 400% in the last 15 years and after all an increase of 11% compared to 2014.<sup>6</sup> In addition, 49% of the Germans in 2010 are actively practicing sports at least once a week, thereby being 9% above the EU average.<sup>7</sup> The number of Germans that are a member in a gym doubled from

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<sup>4</sup> <https://de.statista.com/statistik/daten/studie/74644/umfrage/prognose-zur-entwicklung-des-bip-in-deutschland/>

<sup>5</sup> <https://de.statista.com/statistik/daten/studie/164047/umfrage/jahresarbeitslohn-in-deutschland-seit-1960/>

<sup>6</sup> <https://de.statista.com/statistik/daten/studie/4109/umfrage/bio-lebensmittel-umsatz-zeitreihe/>

<sup>7</sup> <https://de.statista.com/statistik/daten/studie/164271/umfrage/anteil-der-sporttreibenden-nach-land/>

2003 to 2015, from 4,38 Million to over 9 Million.<sup>8</sup> This sport-affinity is emphasized by the number of sport club members – 27 Million Germans are subscribed in approximately 91.000 sports clubs.<sup>9</sup> The spending for private coaching sum up to 2,52 Million € per year (Preuss 2010).

In regard of *technological* factors, the most salient development is the digitalization not only of business operations, but also of people's everyday life, especially concerning media consumption. Around 80% of the German population has internet access in 2016 (compared to 37% in 2001).<sup>10</sup> In the age group of 14 to 49, almost 100% of the population is online. In average, every citizen spends over 2 hours per day online, with smartphones being the driver of internet use, for the first time even ahead of laptops. Regarding communication, the most important platforms are, in order of reach, Facebook, Whatsapp, Instagram and Snapchat.<sup>11</sup> Concerning the search for information, besides social networks, online search engines are a major source of information. Here, Google has an impressive market share of 95%.<sup>12</sup> On the company side, the increase of digital communication and data collection generally enables firms to optimize processes and allocate resources more efficiently.

The *ecological* factor seems rather trivial, since indiecoach as an online service provider of sports is neither dependent from nor dealing with any kind of physical resources.

The *legal* situation however seems relevant, regarding the disruptive intention of the business model. On the one hand sport specific regulations have to be met concerning local rules about the use of sport locations for coaching, or special conditions in regard of coaching licenses. Also, coaches have to be insured (either privately or through the website) in order to

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<sup>8</sup> [http://www.huffingtonpost.de/dustin-tusch/fitness-ist-volkssport\\_b\\_7106142.html](http://www.huffingtonpost.de/dustin-tusch/fitness-ist-volkssport_b_7106142.html)

<sup>9</sup> [http://www.bmi.bund.de/DE/Themen/Sport/Sportpolitik/sportpolitik\\_node.html](http://www.bmi.bund.de/DE/Themen/Sport/Sportpolitik/sportpolitik_node.html)

<sup>10</sup> <https://de.statista.com/statistik/daten/studie/13070/umfrage/entwicklung-der-internetnutzung-in-deutschland-seit-2001/>

<sup>11</sup> [http://www.ard-zdf-onlinestudie.de/fileadmin/Onlinestudie\\_2016/PM\\_ARD-ZDF-Onlinestudie\\_2016-final.pdf](http://www.ard-zdf-onlinestudie.de/fileadmin/Onlinestudie_2016/PM_ARD-ZDF-Onlinestudie_2016-final.pdf)

<sup>12</sup> <https://de.statista.com/statistik/daten/studie/167841/umfrage/marktanteile-ausgewaehlter-suchmaschinen-in-deutschland/>

avoid lawsuits from students in case of an accident. On the other hand, recent examples like the prohibition decision of Uber in Germany as a result from protective tendencies in jurisdiction towards disruptive business indicate potential issues.<sup>13</sup>

## **5 Market Analysis and Strategy**

Knowing the situational factors, one can now analyze the relevant market as well as the potential target group for indiecoach. At the end of this chapter, a positioning map illustrates the relation to the main competitors. In addition, a positioning statement is formulated to show the main value proposition in summary.

### **5.1. Segmentation and targeting**

Market segmentation is an important aspect to identify and focus on the most profitable customers for a company (Peppers and Rogers 2004). Kotler (1995) defines market segmentation as the subdivision of a heterogeneous total market, into subgroups of potential clients with similar attributes within each of the subgroups, to address them with different, optimized marketing mix elements. In this work, the market analysis will mainly focus on two segmentation bases—psychographics and behavioral—as these seem to provide the most dynamic approach for indiecoach, even though they are harder to measure than demographic aspects for instance (McDonald and Dunbar 2005; Barry and Weinstein 2009).

First of all, one has to consider that two different segments have to be identified (potential coaches and potential students). These might partly be overlapping as coaches can also become students for another sport than their own or an advanced coaching lesson. Therefore, the segments of coaches and students will be considered separately. However, also

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<sup>13</sup> <http://www.handelsblatt.com/unternehmen/dienstleister/umstrittener-fahrdienst-uber-in-ganz-deutschland-verboten/11522380.html>

within these two segments, the characteristics vary depending on the type of sport. For instance, students who are seeking a coaching lesson in kite surfing might have different motivations than someone who plans to take a golf lesson. For reasons of comprehensiveness, this work will however focus on rather common aspects for the two segments respectively.

#### **5.1.1. Coaches**

The entire heterogeneous segment of potential coaches can be defined as all Germans who are able to adequately coach (at least) beginners in (at least) one particular sport. One can now formulate following assumptions to further segment this pool. A relevant segment for indiecoach, from a psychographic perspective, are coaches who show a certain affinity for online media, as the start-up's service is entirely web-based. In addition, they show a certain longing of independence and self-fulfillment and rather dislike long-term commitments. In general, they are open-minded and open to innovation. Concerning character traits, they are rather extrovert, social and self-confident. In addition, as an essential demographic variable, they have a low to medium average income and are therefore looking for additional sources of earnings.

#### **5.1.2. Students**

The entire heterogeneous population of potential students are people, who show a fair amount of interest towards sports activities for themselves. Moreover, similar to coaches, they are digitally accomplished, open-minded and like to try out new experiences. Also, they are rather thinking short-term and look for commitment-free interactions. They accept influence and inspirations from their peers and incorporate opinions from their friends and families as an important benchmark for their decisions. From a behavioral point of view, concerning potential occasions of use, students might use indiecoach, when they are on vacations (e.g. skiing in the

winter), when they are interested in learning a new niche sport, but don't know how to approach it (e.g. bouldering or kite surfing), or when they pursue specific goals in sports and need help to achieve it (e.g. running a marathon). Considering the benefits sought, one could highlight amongst others: improvement of skills, fun, health and physical well-being as well as adrenalin or excitement, depending on the kind of occasion or type of sport. Deriving from this approach of segmenting and targeting a relevant group of potential customers, one can now formulate the positioning strategy for indiecoach.

## **5.2. Positioning**

As the positioning of a company or brand is always related to its competitors, a short overview of the existing competition in the German market for sports coaches is provided (Kapferer 2008). Three major groups of competitors can be named. Firstly, indiecoach is rivaling traditional local sport clubs (e.g. tennis), schools (e.g. skiing) and studios (e.g. fitness). Secondly, online offers exist for specific sports (e.g. [www.personalfitness.de](http://www.personalfitness.de)) or from individual coaches that offer their services on their private websites (e.g. [www.jens-eger.com](http://www.jens-eger.com)). Lastly, one can find online businesses that offer coaching for multiple sports nationwide (e.g. [www.easysport.de](http://www.easysport.de)). Even though the fundamental similarity of indiecoach and all its competitors, is to offer sports coaching, one can define several central points of difference. Firstly, the portfolio of indiecoach comprises a variety of freelance coaches from different sports on one single platform. Secondly, the quality of coaches and their respective prices are more transparent and therefore easier to compare ahead of the actual booking, through objective user ratings and reviews. Thirdly, the price range is averagely lower because of a higher competition between coaches and higher margins for coaches (freelance instead of employment). Lastly, indiecoach also offers coaching for niche sports like mountain biking or kiting, where hardly any providers yet exist on the market. Based on the competition analysis,

research and segmentation, the following positioning map was developed to illustrate these insights. As variables on the two axes of the positioning map, individual coaching as opposed to employed coaching, and the offer of multiple sports as opposed to specific sports were chosen.

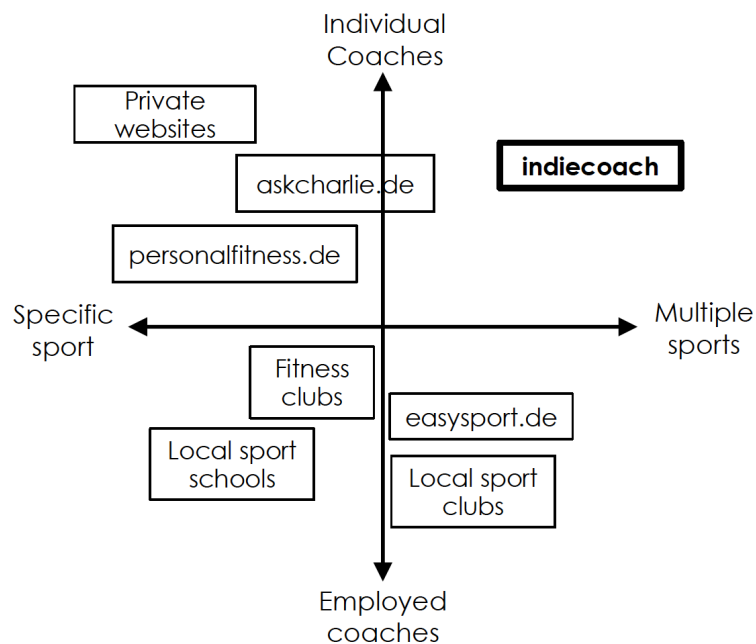


Figure 1: Positioning map of indiecoach within main competitors

Furthermore, the following positioning statements can be formulated, respectively for coaches and students (Kapferer 2008, p. 178).

*Coaches:* For digitally oriented, open-minded sport enthusiasts with the ability to coach, who are looking for an opportunity to monetarize on their hobby (*target market*), indiecoach is an online marketplace for private sports coaches (*frame of reference*) which gives the opportunity to work as a freelance coach (*customer benefit*) because of its usability, lack of commitment, and higher profitability (*reason to belief*).

*Students:* For digitally oriented, open minded sport enthusiasts, who want to improve their sports skills (*target market*), indiecoach is an online market place for private sports coaches (*frame of reference*) which gives the best coaching experience (*customer benefit*) because of objective user ratings, a convenient usability and lower prices (*reason to belief*).

### **5.3. Market research and validation**

In order to provide a first validation of the market and the assumptions about the target groups, a survey has been conducted to gain insights from both, potential coaches and students. Therefore, a convenience sample of 282 men and women participated in an online questionnaire. After answering general demographic question, participants were divided into two groups (potential coaches and potential students), depending on their ability and interest to work as a coach. The most relevant insights from the group of potential coaches (n = 144) that support assumptions about the business model can be summarized as follows. Firstly, 43% would prefer to work as a freelance coach, instead of working for a school or club. Secondly, 38% already coached someone without having a license. Thirdly, the average requested price, for a lesson of private coaching in their respective sport is 32,70 €. For comparison, the average price of one lesson of personal fitness on askcharlie.com is 74 €. <sup>14</sup>

From the group of potential students (n = 137), 54% would like to learn a new sport in which they not yet have any skills. Concerning personal coaching, 83% think that private lessons are too expensive and 73% think that it is difficult to estimate whether a coach is good before booking. Concerning preferred media consumption of sports related content, the main channels are Facebook, online magazines and YouTube for both potential target groups.

## **6 Customer journey and integrated marketing communications**

In order to embrace the recent trends and developments of marketing and to be especially responsive to the online environment in the case of indiecoach, the concept of the customer journey has been selected to develop an integrated marketing communications strategy. The customer journey incorporates the latest marketing trends, as identified in chapter three, by taking the target groups perspective and developing the different touchpoints from the

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<sup>14</sup> <https://www.askcharlie.de/blog/index.php/personal-trainer-kosten>



first contact until the after-sales communications. In the following, after analyzing the general touchpoints of the framework, the specific touchpoints and stages for indiecoach will be identified. Subsequently, the author will map the entire customer journey tailored to indiecoach's business model and marketing needs. Finally, the integrated marketing communications strategy is derived.

### **6.1. Touch point analysis**

During the different steps of their decision process, customers interact with various channels or touch points (Baxendale 2015, p. 249). Consequently, these different occasions of interaction might have distinct effects on the customer journey, depending on the stage of the process and on the interdependence and influence on each other (Anderl et al 2016, p. 457; Lemon and Verhoef 2016). In their framework (exclusively considering online channels), Anderl et al. (2016) define the customer journey as the entirety of touch points in the prepurchase phase of the buying process that eventually lead to a purchase decision and the visit of the advertising brand's website. The overarching objective of their approach is to attribute conversions more accurately, in contrast to monocausal heuristics like the last click attribution model, where conversions are only assigned to the very last channel from the customer journey, as for instance a Facebook ad that links to a company's website (Berman 2015; Li and Kannan 2014).

Other authors like Lemon and Verhoef (2016) also include the purchase and the postpurchase stage into their framework of the customer journey, without limiting the concept to online media, but also considering touch points from customer-to-customer interactions like WOM. The actual service delivery of indiecoach is taking place after the online payment and in addition, postpurchase actions such as rating and reviewing the experience is essential to the business model. Therefore, this more comprehensive approach seems particularly relevant for

this work. In their framework, Lemon and Verhoef (2016) define four different types of touch points: (1) brand-owned (e.g. advertising or websites), (2) partner-owned (e.g. interactions through advertising agencies or distributors), (3) customer-owned (e.g. choice of payment or evaluation of personal needs) and (4) social/external/independent (e.g. peer influences or reviews). According to the authors, all of these touch points are relevant to different extents throughout the stages of the purchase decision and will therefore be analyzed in detail for the business model of indiecoach.

*Brand-owned touch points* are all channels of customer interaction that are directly controlled by the company, as for instance all brand owned media such as the website and elements of the marketing mix that are managed by the firm. Thus, also advertising, including search engine advertising (SEA) belongs to this category. Applied to indiecoach, several essential brand-owned touch points can be named. Primarily, the major company controlled touch point is the website. Here, a conglomerate of individual aspects forms the total customer experience. Not only direct impressions such as the color, the design or the pricing, but also indirect aspects such as the usability of the site have to be considered. In addition, social media appearances such as the Facebook page, a YouTube channel, an Instagram page and a twitter account are company managed and therefore brand-owned touch points. Google and Facebook ads for indiecoach count into this category as well as offline advertising campaigns.

*Partner-owned touch points* refer to customer interactions throughout the journey that are managed by the company and at least one of its partners. The authors name the example of advertising agencies, distribution and communication channel partners. In the context of indiecoach, the registered coaches are not only users, but can also be considered as partners, since their performance reflects the quality of indiecoach's service. Another point of interaction are potential cooperation partners like universities or sports related companies that either refer to our offer or participate in an affiliate or referral program. Further, the sports locations must

be considered, where the actual coaching takes place. For some sports, these might for instance be clubs (e.g. tennis) or studios (e.g. dancing) that cooperate with indiecoach.

*Customer-owned touch points* refer to those interactions of the brand and the customer that are not influenced or controlled by either the company itself or one of its partners. The evaluation of one's own needs in the prepurchase stage count towards this category, such as a customer's choice to lose weight (need recognition) and decision to book a private coach to achieve said goal. A customer owned touch point after the "purchase", e.g. the booking of the coach, is the actual lesson that takes place, usually a couple of days after the buying decision was made. The experience of a customer depends for example on their physical abilities or their own way of coping with frustration when not managing certain tasks, given by the coach. Also, any media content which is controlled by the customer, as for example go pro videos of surf lessons on YouTube or Instagram posts are counted as customer-owned.

Lastly, *social or external touch points* play an important role in the customer journey as these reflect the influence that peer groups, family, other customers of the brand and independent information sources have on the buying decision. Baxendale et al. (2015) find that such personal influence can even have stronger effects than those from advertising. Also, reviews and ratings count into this category as examined by Chevalier and Mayzlin 2006 concerning the influence on the purchasing decision of online reviews. In addition, social media sites, such as Facebook, can be social or external sources of influence. For indiecoach, this touch point category is crucial, considering the role of user-based ratings and reviews of the individual coaching experiences for the sustainability of the business model. Furthermore, they exert direct influence on users, when, for example, taking coaching lessons together with friends. The mutual, interdependent experience can therefore be considered as decisive for the overall evaluation. Also, the reaction and feedback of peer groups when sharing the experience either personally or via social media is influential in the postpurchase evaluation.

## **6.2. Integrated marketing communications framework**

With the recent framework of Batra and Keller (2016), one can now develop a coherent strategy for integrated marketing communications (IMC). Thereby, this chapter focusses on marketing to potential students, as they in the end are the customers that make the actual payment and represent the majority of registered users of indiecoach. Batra and Keller (2016) define IMC as “the coordinated, consistent means by which firms attempt to inform, incent, persuade, and remind customers—directly or indirectly—about the products and brands they sell” (p. 137). In addition, the authors discuss the increasingly complex and at the same time precise and effective opportunities, offered by digital media. Since different (online) channels have different advantages and disadvantages, the appropriate mix, depending on the stage of the customer journey is essential. In this context Batra and Keller provide the example of the high effectiveness of search advertising (Wiesel, Pauwels and Arts 2011) that might be related to the high fit between the stage of customer buying process (purchase choice is already made) and value proposition of the channel (search and comparison of different offers). Thus, the customer’s stage within the decision journey serves as a moderator variable in this case. To understand the desired target variables, one therefore first has to look at the desired outcomes for each of the stages. The authors name the following communication goals (in the order of the customer journey): (1) create awareness, (2) convey detailed information, (3) create imagery and personality, (4) build trust, (5) elicit emotions, (6) inspire action, (7) instill loyalty and (8) connect people. The choice of communications should subsequently take place on two deciding factors—effectiveness (reaching desired effects...) and efficiency (...to what costs). However, this dissertation will focus on the factor of effectiveness, as a financial analysis would exceed the formal restrictions of this work. A combined approach by Batra and Keller (2016) that incorporates the effectiveness of different channels, as well as the different communication goals, both in relation to the different stages of the customer journey, serves as framework to

decide over the IMC strategy. Derived from the authors findings, the influence strength of relevant online (Figure 2) and offline communication options (Figure 3) has been visualized.

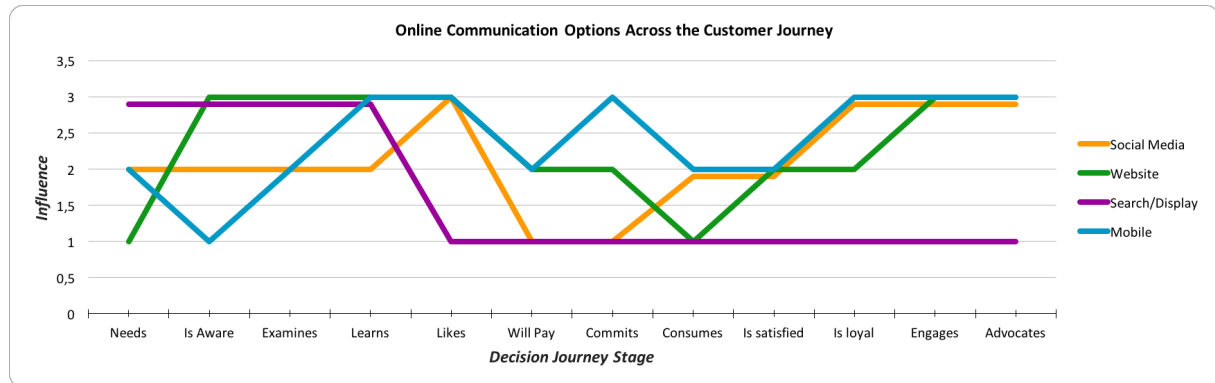


Figure 2: Influence of online communication options across the customer journey

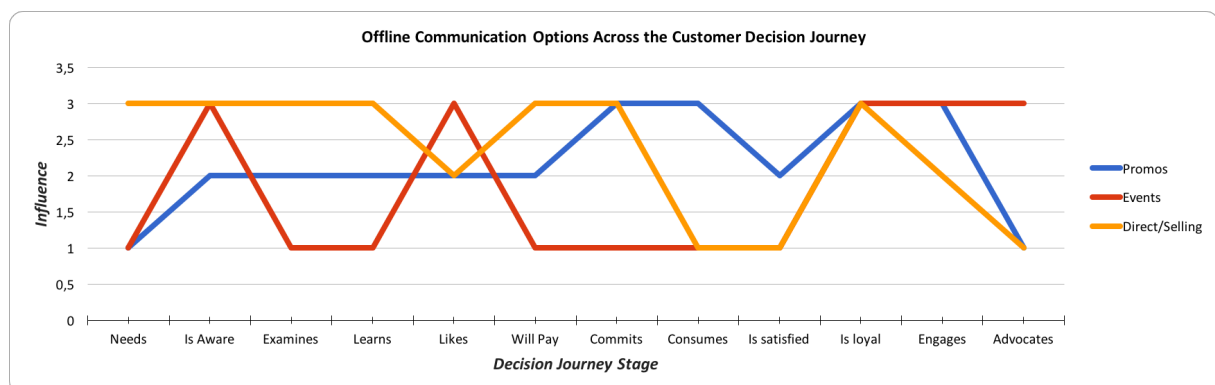


Figure 3: Influence of offline communication options across the customer journey

### 6.3. Customer journey of indiecoach

Depending on their individual stages, different touch points have a varying degree of influence on the customer (Batra and Keller 2016). This insight, combined with the touch point approach of Lemon and Verhoef (2016) will be applied to the customer journey of indiecoach. A customer journey map (Figure 2) has been created to visualize the findings.

## Customer Journey Map

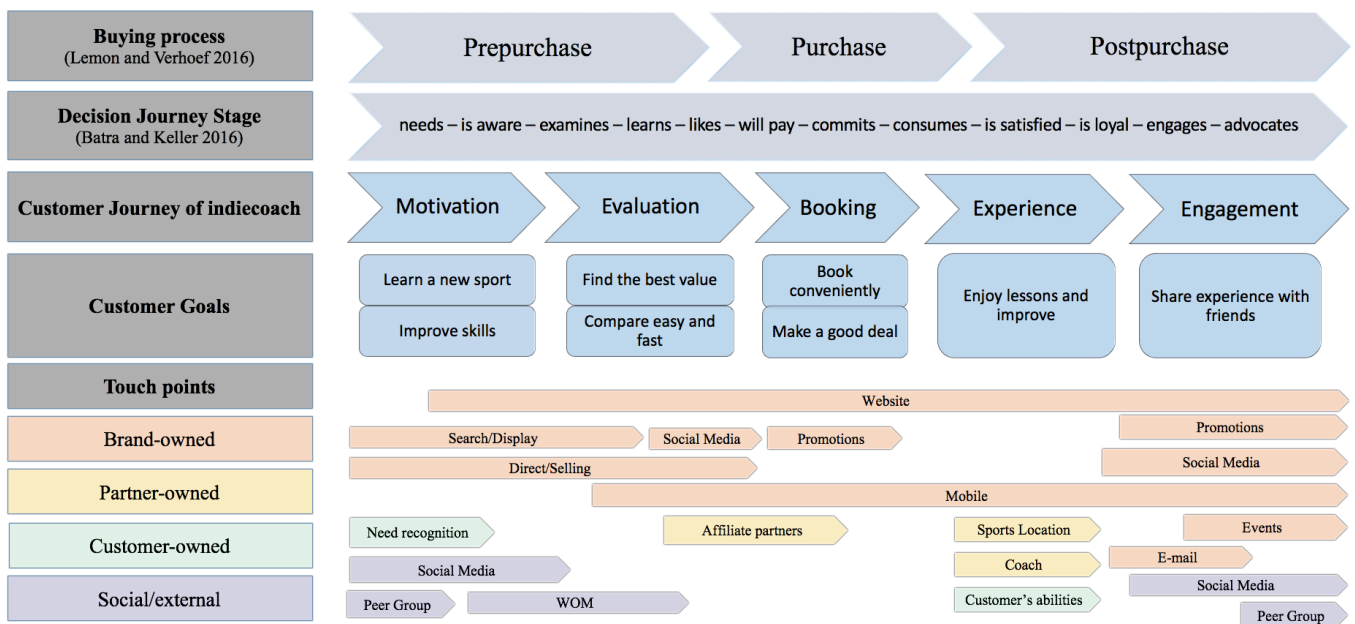


Figure 2: Customer Journey Map of indiecoach

Five major stages for a potential student have been defined – (1) Motivation, (2) Evaluation, (3) Booking, (4) Experience, (5) Engagement – and their underlying personal customer goals and have been incorporated. In the first stage of *Motivation*, customers recognize their need to book a coach. This need can for instance result from the wish to learn a new sport or the motivation to improve their existing skills. First of all, the potential student starts to gather information about different sports offers at this stage. Therefore, the most effective channels at this stage are search advertising, display ads, social media and direct marketing. Thus, especially in the early phases, right after the launch of the website, indiecoach should focus on search engine advertising (SEA) such as google ads for coaching related search inquiries as well as search engine optimization (SEO), to achieve a high ranking within the organic search results, when a customer googles for example “tennis coach in Cologne”. Another effective channel of communication are Facebook ads, leading to the company-owned Facebook page or to the website, supplying the potential customer with further information. In addition, direct marketing has a lot of influence, for instance at universities, where sports

students as relevant target group can be addressed directly.

During the *Evaluation* stage, the customer compares the different offers that he previously found, collects further information and eventually builds a favorable attitude towards indiecoach. Mobile marketing, social media content on Facebook, YouTube and Instagram and the website as “point of sale” are most influential at this stage.

Eventually, the customer favors the *Booking* of a sports lesson via indiecoach and follows the steps on the website until the actual online payment. At his point, promotional offers, such as reduced commission fees and mobile marketing show their highest influence as a final argument to choose indiecoach to book the next sports lesson. Interestingly, in the presented model, many communication options show their highest degree of influence after the actual booking.

The fourth stage includes all aspects of the actual coaching *Experience*. After communicating a specified place and time to meet, the sport lesson is finally taking place and the student meets his coach (for the first time). Here, again indiecoach’s app and website are the most influential touch points.

Lastly, the customer enters the *Engagement* phase. In the best case, the student here shows satisfaction, loyalty, engagement and eventually advocates indiecoach to his friends as a final step. Writing a review and rating the coach by the experience on the website or through the app is essential at that stage, due to the review-based business model (even though Batra and Keller 2016 suggest otherwise in their general framework). As for post-consumption, the communication should focus on triggering and reinforcing a potential rebooking of a coach through indiecoach. Here, especially e-mails, with a thank you note and suggestions for other types sports that the customer could try, seem promising. Also, social media, mobile marketing and the website are influential channels that can be customized in a way that supports the retention of the student. This phase is especially important for indiecoach, as students could try

to avoid the commission fee through directly paying the coach. By fostering engagement through the feeling of participation in an online community and through visual content on Instagram, Twitter, Facebook or Snapchat, customers are more likely to be retained. In the last phase of the customer journey, also sport events, either through sponsoring existing events or through organizing them independently show great influence.

The customer journey framework provides a structure to understand the respective priorities in customers' decision process and is therefore an essential step for creating a seamless customer experience. Indiecoach, as a young, digital brand, pursues the goal to proactively shape the customer experience by understanding their personalized journey and through optimizing the different touch points for each stage. The customer journey map thereby helps the company to focus on those communication options with the most influence, at the same time enabling to understand influential touch points that are not directly controlled by indiecoach.

#### **6.4. Limitations**

This framework of using concrete channels at the different stages within the customer journey has to be considered under the aspect that some of the linkages have not yet been empirically examined by academic research (Batra and Keller, 2016). Therefore, the authors provide a comprehensive list of potential future research. Other limitations exist as the suggested influence strengths of the different communications options are based on a general framework and broad assumptions concerning the customers. For instance, potential coaches for indiecoach can rather be reached through direct marketing or even co-operations with other companies than through display ads, as their involvement must be substantially higher and their relation with indiecoach by assumption more personal. Therefore, depending on the company, the business model, the type of customers and their needs, the effective channels might be



adapted (as it is the case with indiecoach during the early postpurchase stage).

## **8 Conclusion**

This dissertation had the purpose to develop a customer-oriented marketing plan, based on scientific research, for indiecoach – an online market place for sport lessons. After a presentation of the underlying business model, two major topics of recent academic marketing research – online marketing and customer experience – were shortly presented to provide the scientific fundament of the following chapters. Both fields of research had in common that recently developed technology is changing the way they are perceived by researchers and practitioners. The following analysis of situational factors provided a clearer picture, concerning size, relevance and favorability of the German sports market. With an annual spending of 2,52 Million € for sports coaching and a rising health trend, the market seems reasonably attractive. Furthermore, two relevant target groups for coaches and students respectively were identified. Both show affinity for online media, longing for independence and are open-minded towards new (digital) solutions. A self-conducted online survey helped to validate some of the main assumptions about the target groups, when indicating that customers think private coaching is too expensive and not transparent enough.

With these insights of the market, the concept of the customer journey according to Lemon and Verhoef (2016) was discussed. Here, the different types of touch points for indiecoach became evident, some of them outside the range of the firm's control such as WOM. Lastly, a strategy for IMC has been developed, based on the recent framework of Batra and Keller (2016) for optimizing communication channels according to the respective stage of the customer journey. Subsequently, the customer journey map of indiecoach was developed. For each of the five stages – Motivation, Evaluation, Booking, Experience, and Engagement – the most influential communication channels have been identified for the customer journey of

indiecoach.

Even though this work sets out to provide a research based marketing plan, several limitations and potential gaps have to be named. Firstly, some of the scientific suggestions, as the linkages between customer journey stage and degree of effectiveness of different communication channels were only developed recently. Therefore, future research is necessary to validate some of the assumptions and relations that were made, as well as interaction effects between the channels. Also, due to the drastic acceleration of the use of new media, older assumptions and concepts, such as the classic approach of segmentation, targeting and positioning, on which this dissertation is based, might be losing relevance, as customer behavior, especially concerning media consumption, is changing drastically. In addition, this work was written for a not yet founded start-up company. Hence, important insights from testing the website are still missing. Further validation of the market and eventual adaptations of the marketing strategy might be necessary. Lastly, important aspects like a financial planning are difficult to calculate at this stage of the company, but nevertheless crucial, for instance for analyzing the efficiency of the IMC channels and to estimate the monetary effort that has to be made to reach a critical mass of users. In the course of the development of a holistic marketing plan, these are the next steps, to provide the best possible experience for the customers of indiecoach.

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